

Governance

Corporate governance overview

Our corporate governance principles and organization

Good corporate governance principles have been an important part of the organization since TITAN was first listed in 1912. Along with our corporate values, they guide us through every aspect of our business.

For us, good corporate governance is synonymous with ethical business practices, transparency, open communication, accountability and sustainable development.

We believe that good corporate governance creates long-term value for our shareholders, customers, employees, suppliers; our aim is that all stakeholders benefit from the way we do business.

A balanced Board

We aim to ensure that we have an appropriate balance of skills, experience and knowledge among our Board members, while promoting diversity of age, gender, cultural and professional background. The Board comprises a team of highly

experienced professionals who bring a wealth of knowledge to the Group.

Their detailed profiles can be found online at www.titan-cement.com, in the TITAN Group/Corporate governance section.

Half the members of our Board, not including the Chairman who is non-executive Director, are independent non-executive Directors. Independent non-executive members of the Board of Directors have no employment or other relationship with the Group and meet all independence requirements set by Greek legislation and the UK Corporate Governance Code (September 2012), as well as the additional independence criteria set by the Company. Independent non-executive members are not involved in the Group's daily management; however their role is to contribute through their participation in the Board and its Committees in developing the Group's strategy, monitoring the

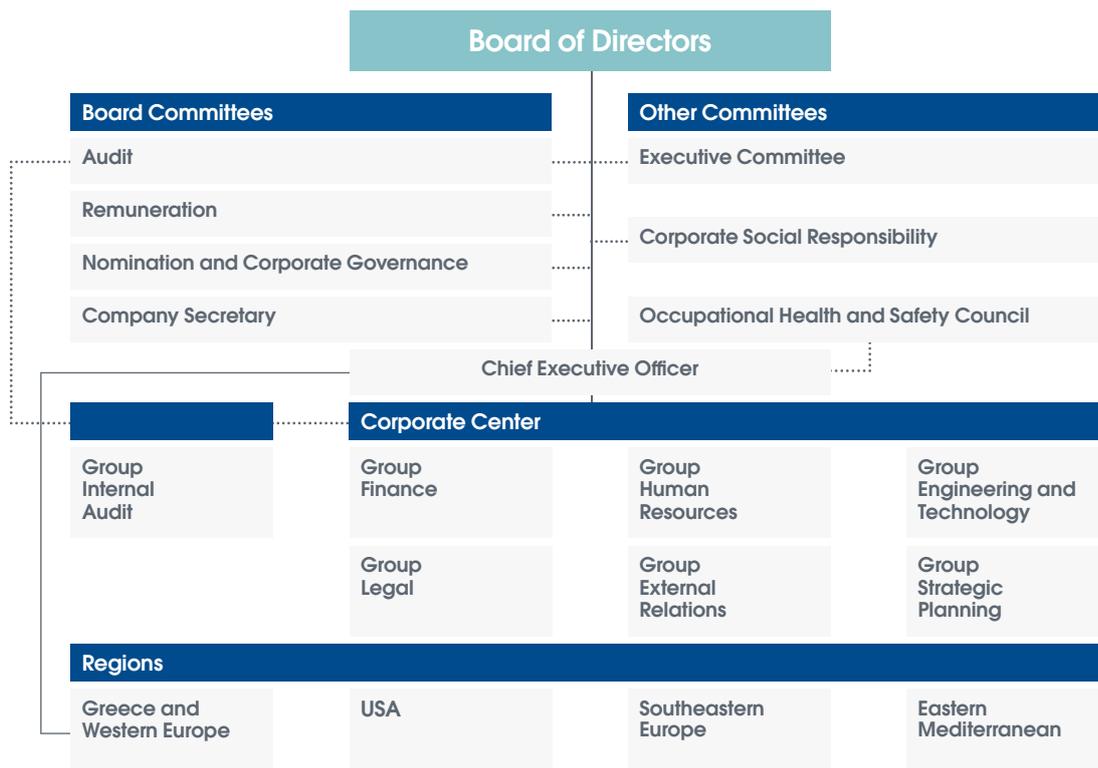
effectiveness of the internal audit and risk management systems, determining the remuneration of the executive members of the Board and securing the existence of succession plans for the Chairman, the CEO and the top management.

The Board and social responsibility

An overview of our governance and management structure is detailed below. Along with our Board Committees (Audit, Remuneration, Nomination and Corporate Governance), we have established management committees among which an Executive Committee and a CSR Committee, demonstrating how important this topic is to the Group.

➤ More information about the responsibilities and composition of our Board Committees, the Executive Committee and CSR Committee can be found online, at www.titan-cement.com, in the TITAN Group/Corporate Governance section.

Organizational structure



Risks

Managing our risks

Effective risk management throughout our value chain is critical for us to meet our strategic aims and embrace the opportunities available that will help us achieve long-term sustainable development. In this section, we list our most material risks (our principal risks) and the activities we have in place to mitigate them.

Overview of risks

Financial performance	
Risk	Mitigating activities - key points
Liquidity	<ul style="list-style-type: none"> - Sufficient cash reserves and other liquid assets - Extensive committed credit lines - Efficient use of international financial markets
Foreign currency exchange	<ul style="list-style-type: none"> - Natural hedges, FX derivatives/swaps and FX forwards - Borrowings denominated in the same currency as assets being financed
Interest rates	<ul style="list-style-type: none"> - Ratio of fixed to floating interest rates 47%/53% (at 31 December 2014) - Interest rate derivatives used to minimize risk and balance the mix of borrowing rates
Credit risk	<ul style="list-style-type: none"> - Monitoring customers' credit standing - Additional collateral required - Provisions for impairment losses - Pre-set limits for exposure to each bank - Liquid assets held with investment grade banks
Production costs	<ul style="list-style-type: none"> - Lessen our dependence on natural raw materials - Investment in low-energy-requirement equipment - Quantifiable targets alternative raw materials use - Access to required quality and quantity of raw materials
Operating environment	
Macroeconomic factors	<ul style="list-style-type: none"> - Regular business unit valuation exercises - Estimate macroeconomic risk in each country when considering new investments and when allocating assets between existing markets
Political climate	<ul style="list-style-type: none"> - Our local management teams report issues requiring consideration - Safeguard TITAN's local investments - Protect our people, business partners and communities
Social context	<ul style="list-style-type: none"> - Increase awareness and transparency - Training managers and employees - Underline our commitment to the fight against corruption through UN Global Compact initiative
People and resources	
Health and Safety	<ul style="list-style-type: none"> - Strict safety systems and processes - Production units manned with sufficient safety officers - Educational programs to train our employees - Our Annual Safety Awards
Water	<ul style="list-style-type: none"> - Best practices for efficient water management - Water management systems - Recycling and re-use of water, minimizing our environmental impacts
Climate change	<ul style="list-style-type: none"> - Memberships of the World Business Council of Sustainable Development and the Cement Sustainability Initiative - Targets set for CO₂ emissions reductions and actions identified to reduce our ecological footprint

Our risks and mitigating activities are described in detail in our full report online at <http://integratedreport2014.titan.gr>